

Jobs Committee

July 2004

Assembly Committee on Jobs, Economic Development and the Economy Newsletter



Real Reform for Real Jobs

Californians have identified the economy as their number one concern. When a poll released in the spring of 2004 by the Sacramento Bee and conducted by Edison Media Research and Mitofsky International, posed the question, "which ONE issue mattered most in deciding how you voted?" An overwhelming 36% of those polled responded that it was the economy and jobs. This response garnered twice as much support as other issues including education and health care. Some legislators have asked the question, "In light of the signs of economic recovery why are Californians so concerned about jobs and the economy?" The Legislative Analyst Office's 2004 Perspectives on the Economy is illuminating in its finding "that the US and California economies are entering 2004 with significant momentum which it believes will continue through the budget year. With one exception, employment growth, which has continued to lag despite gains in the consumer and business spending and outcome in the economy. Although the lack of job growth has not held back the economic recovery, continued lack of growth could undermine consumer and business confidence and the overall future economic expansion."

To overcome slow job growth, California must create the context and capability for employment expansion and economic development. With the emergence of the "new economy," wherein technology and knowledge are the key factors of production, the nation has become an information society in a knowledge-based economy. If California is to lead the nation's economic recovery, then it must transform its view and approach to economic development.



In the past the Assembly Democratic Economic Prosperity Team (ADEPT) served as the state's vehicle to facilitate an open and collaborative dialogue between Assembly Democrats and the state's business community. In light of the State's current economic challenges the Legislature must renew that effort. Some in the high-tech industry considered it the most significant legislative activity supporting business in the last decade.

California's economy must exist to serve the needs of the human person and not the other way around. This means that California must create a climate that fosters not only a high quantity of jobs, but jobs of high quality. Jobs that can sustain families and communities. California must be in a position to succeed in the global economy. In addition, policy makers must ensure that economic development policies and resources are achieving their desired purpose. Most importantly, policy makers must allow the engine of our economy, small and medium sized businesses, to grow and develop

via the reduction of exorbitant costs associated with doing business, including workers' compensation.

As President Franklin Roosevelt offered the New Deal to an America struggling in the clutches of the Great Depression, the California Legislature must provide a real deal to Californians in the midst of an economic downturn and transition. The "Real Deal" provides a framework that outlines the policies that will enhance the overall quality of life in California and enable California to once again become the "Golden State."

The Real Deal - A Strategy for Investment and Economic Recovery:

1. Focus on the quality of jobs, not just quantity of jobs.
2. Define the state's role and function in the global economy.
3. Ensure Budget accountability and responsible business incentive policy.
4. Invest in the workforce and infrastructure of the state.
5. Create a strategic approach to support the emerging industry sectors.
6. Eliminate policies and programs that stifle job growth.

Job Related Measures

Identified below are job related measures aimed at strengthening the state's economy and enhancing the overall quality of life for California citizens:

AJR 86 (Lieber): Encourages California's role as a leader in the exploration and development of space, by requesting the United States Congress to enact and fully fund the proposed budget for space exploration.

AB 723 (Matthews): Promotes quality of

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Measures (continued)

life by seeking alternative financing methods to provide for a balance of jobs and housing. It allows 5 jobs-housing opportunity zones in 5 counties to receive property tax revenues to finance public infrastructure.

AB 1643 (Ridley-Thomas): Promotes small business by requiring Employment Development Department (EDD) to study the impact of employee misclassification tax audits on microenterprises and seeks clarification on education and outreach programs related to complicated tax regulations that impact small business and microenterprises.

AB 2106 (Ridley-Thomas): Allows tax expenditures to be evaluated along with expenditure programs in the budget in order to achieve the most efficient "mix" of tools possible and to weed out wasteful or ineffective programs by providing for a systematic review and evaluation of tax expenditures programs.

AB 2206 (Firebaugh): Provides for a comprehensive trade policy to assist in the state's ability to attract export-related jobs, which pay 17 percent higher in wages than the national average, by establishing within the Business, Transportation and Housing Agency (BTH) an office with the primary responsibility for the state's international trade activities and requires the newly established Office of Global Trade and Development to develop an international trade strategy to guide the state's efforts in international trade markets.

AB 2411 (Yee): Assists small businesses as they compete in the global marketplace and enhances their economic output within the state by enabling the state to re-establish an international presence in critical markets while addressing the structural shortfalls that existed in the establishment and oversight procedures of the former offices.

AB 2850 (Ridley-Thomas): Ensures public safety and promotes job security by establishing continued employment of private security officers for 90 days at a job site following the termination of a contract for private security services.

AB 3048 (Oropeza): Promotes the creation of construction related jobs. As amended, the bill states the Legislature's intent to explore the use of alternative financing methods for transportation projects. It is intended to serve as one of several vehicles for a proposed conference committee

on alternative transportation construction and financing.

SB 1156 (Alarcon): Codifies the definition of microenterprises for the purpose of distinguishing it from small business as has been done so on the federal level. Defining microenterprises will provide local agencies with additional awareness of federal funds and resources available for these

emerging job creators, thereby further stimulating the economy.

SB 1558 (McPherson): Allows the BTH to continue with a program which provides for loan guarantees to small business by remedying the current absence of statutory authority over the existing loan guarantee program within BTH pertaining to financial development corporations.

Jobs Committee Examines How Education Can Boost Economic Progress in Los Angeles



Top Row: Michael Acunna, Larry Frank, Dr. Denise Fairchild, Joy Chen, Ross Devol, Paul Tepper, Mark Pisano and Greg Whitney, Bottom Row: Assemblymembers Carol Liu, Mark Ridley-Thomas and Gloria Negrete McLeod.

This past spring, the Assembly Committee on Jobs, Economic Development, and the Economy partnered with the Assembly Select Committee on Adult Education to convene an informational hearing on "Bridging the Gap: Establishing a Framework for Economic Progress in Los Angeles County." The hearing gathered over 100 community members at the PUENTE Learning Center in Los Angeles, which also served as an example of successful workforce development. The Committees examined workforce and asset development as well as infrastructure investment as "bridges" that could serve to address the continuously growing "gap" in employment in the Los Angeles region.

"Many recent reports show that Los Angeles is losing many higher paying manufacturing jobs, while the lower-paying service sector jobs are growing. Trends such as this have contributed to Los Angeles' increasing poverty rate over the past three years," said Ridley-Thomas. "But the question must be posed today, what are we doing and what can Los Angeles do as a community to bring more equity to those living and working in the area?"

The legislative panel included Assemblymember Carol Liu (D-La Cañada Flintridge), Chair of the Assembly Select Committee on Adult Education; Assemblymember Mervyn Dymal-

ly (D-Los Angeles); Assemblymember Jackie Goldberg (D-Los Angeles); and Assemblymember Gloria Negrete-McLeod (D-Chino).

The hearing began with presentations on the "State of the Region." Greg Whitney, Vice President of Business Development for the Los Angeles Economic Development Corporation (LAEDC) and Ross Devol, Director of Regional Economics for the Milken Institute, presented an economic and demographic profile of Los Angeles County. Paul Tepper, Director of the Institute for the Study of Homelessness and Poverty at the Weingart Center, and Joy Chen, Deputy Mayor of Workforce Development for the City of Los Angeles, testified on the growing disparities in the region.

Next, legislators and the audience heard testimony on current projects that are being implemented to address the disparities. This included presentations from Mark Pisano, Executive Director of Southern California Association of Governments (SCAG), Dr. Denise Fairchild, President of Community Development Technologies Center, and Dr. Santiago Jackson, Assistant Superintendent of the Los Angeles Unified School District.

Finally, the hearing concluded with testimony on further action that can be taken as well as public comment on the issues. The concluding testimony was given by Larry Frank, Staff Director for the UCLA Center for Labor Resources and Education, and Michael Acunna, Business Liaison for the Foothill Workforce Investment Board.

Assembly Committee on Jobs, Economic Development, and the Economy

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